FLOWER CREEK TIMBER SALE

NOTICE OF SALE

Department of Natural Resources & Conservation Timber Sale

The Flower Creek Timber Sale is located within Section 16, T30N-R31W on the State's Libby Unit. Approximately 23,647 tons, consisting of Douglas-fir, western larch, cedar, grand fir sawlogs is offered for sale.

Sealed bids will be opened at the Department of Natural Resources & Conservation, 2705 Spurgin Road, Missoula, Montana on **June 20, 2008 at 3:00 p.m.** Bids may be hand delivered or mailed and will be accepted any time prior to the bid opening. **DNRC recommends that bidders contact the Trust Land Management Division (406-542-4300) prior to the bid opening to ensure that your bid has been received.** Bids must be accompanied by a deposit of **\$20,515.00**, representing 5% of the minimum bid value of the sale in cashier's check, certified check, bank money order or bank draft to be applied to the stumpage for the successful bidder. Bid bonds will be accepted and, for the successful bidder, will be closed upon execution of the Timber Sale Contract and Timber Sale Bond.

The sale will be awarded to the highest responsible bidder. If the successful bidder is unable to execute the contract within **21** calendar days from the date the sale is awarded, the bid deposit will be retained by the Department as liquidated damages. The right is reserved to reject any or all bids.

Prospective bidders can obtain the sale prospectus, sale contract and bid forms from the Department of Natural Resources & Conservation, Trust Land Management Division, in Missoula (406-542-4300), the Northwestern Land Office, in Kalispell (406-751-2240), or the Libby Unit Office in Libby, MT (406-293-2711).

Visit our website at www.dnrc.mt.gov Online Services for upcoming sales and bid results.

/s/ David Groeschl, Chief Forest Management Bureau Trust Land Mgmt Division

Publication Dates: May 21, 28, June 4, & 11, 2008

TIMBER SALE PROSPECTUS MONTANA DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Timber Sale Name: Flower Creek

Timber Sale Location: Section 16, T30N-R31W

For specific sale information, contact: Doug Turman or Jeremy Rank

Phone 406-293-2711 Libby Unit Office

For copies of the Timber Sale Contract and bid forms, contact:

Phone 406-542-4300 Forest Management Bureau DNRC Missoula Office

Phone 406-751-2240 Northwestern Land Office

General Bidding Information

- 1. Bids must be submitted on standard Department of Natural Resources & Conservation (Dept) bid forms.
- 2. Timber will be sold to the highest responsible bidder; however, the Dept reserves the right to reject any or all bids.
- 3. The Dept recommends that bidders contact the Forest Management Bureau, Trust Land Management Division (406-542-4300) prior to the bid opening to ensure that your bid has been received.
- 4. A **Bid Guarantee** must accompany all bids and must be in the form of cash, cashiers check, certified check, money order, bank draft, surety bond or irrevocable letter of credit.
- 5. The Purchaser must submit a **Performance Bond** to the Dept within a maximum of **21** days of notification of sale award. The bond amount will be, at a minimum, 20% of the total bid value of the sale. The performance bond may be in the form of cash, irrevocable letter of credit, surety bond or certificate of deposit. The performance bond must be maintained separately from other payments for the duration of the sale contract. See the Timber Sale Contract for additional information.
- 6. The Purchaser must submit an **Advance Stumpage Payment** prior to cutting any timber. The amount of the advance stumpage payment will be based on the expected harvest rate and the bid value of the stumpage. The advance stumpage payment may be in the form of cash, irrevocable letter of credit, payment bond or certificate of deposit.
- 7. At rates specified in the Contract, the Purchaser will pay **Forest Improvement Fees** on all sawlog volume. All applicable **Road Use and/or Maintenance fees** will also be paid by the Purchaser in addition to stumpage payments.
- 8. This sale is being sold based on the gross weight of all species. Minimum price and bid price are on a per ton basis. Unless specified, the price applies to all species, green and dead. Price may vary by product. Billing will be based on gross weight. A weight ticket from a certified scale is required for each load hauled, regardless of product type.
- 9. The Dept has estimated the net scale merchantable sawlog volume to be available for purchase under this contract. Other products may be part of this sale. All delivered wood will be weighed and billed at per ton bid rates. The Dept recognizes that a percentage of delivered wood may not meet the log manufacturing and recovery standards of the timber sale contract. The actual percentage will vary based on the log manufacturing and recovery specifications of the purchaser and tree conditions in the sale area. The actual delivered weight may vary, resulting in an overrun or under-run of the estimated tonnage. The Dept strongly recommends that bidders evaluate these effects before bidding.
- 10. The Dept does not conduct detailed road appraisals. All appraised costs are gross estimates or averages, provided only to show the relative amount of work required, and not the true market value. The Dept strongly recommends that bidders make their own estimates based on contract requirements. Cost estimates provided are not guaranteed.
- 11. Bidders are encouraged to examine the complete Timber Sale Package and Sale Area prior to bidding. Additional information is available at the phone numbers shown above. A tour of the sale area is planned for June 3, 2008. Meeting time is 10:00 a.m. at the Pizza Hut parking lot in Libby at the corner of U.S. Highway 2 and State Highway 37.
- 12. Estimates for sale volume, species percents, defect, product class, etc. provided in this prospectus and volume estimates listed in the sale contract are not guaranteed.
- 13. <u>This prospectus is provided for information purposes only.</u> If the prospectus is in error or contradicts the Timber Sale Contract, the contract governs.

TABLE 1: Summary of Sale Specifications								
Sale Data								
429	Net Sale Area (acres)	1.05	Miles of road construction					
December 1, 2010	Contract ending date	1.91	Miles of road reconstruction					
0%	Cable logging required (% of volume)	0.27	Miles of road reclamation or abandonment					
Operating Season: This sale is typically a summer logging job. Under average historical winter conditions, there is not enough								
snow or frozen ground	snow or frozen ground to winter log.							
Charges and Appraised Costs								
\$20,515.00	Bid Guarantee (total \$)							
20% of bid value	Performance Bond							
\$ 0.00	Collected Road Maintenance And Road Use Charges (\$ per ton)							
\$ 4.09	Collected Forest Improvement Fee (\$ per ton)							
\$16,119.37	Quarterly Installment of Forest Improvement Payments (\$ per payment, first 5 payments)							
\$ 28, 577	Road Development Costs - Appraised Purchaser-Do (total \$)							
\$ 0.04	Road Maintenance Costs - Appraised Purchaser-Do (\$ per ton)							
\$1.76	Slash Disposal Costs - Appraised Purchaser-Do (\$ per ton)							
\$ 0.01	Timber Stand Improvement Costs - Appraised Purchaser-Do (\$ per ton)							

TABLE 2: Timber Cruise Data and Minimum Bids									
SPECIES	DF	WL	WRC	GF	LP	ES	WH	Dead/Dry	TOTAL or AVE
Minimum Acceptable Bid									\$17.35/ton
Pounds per cubic foot	61.7	58.3	44	60	56	57	60	40	58.58
Contract Tons (4.6")	12155.1	5092.2	2063.5	2035.6	1478.4	473.3	26.1	323.3	23647.5
Gross MBF (Scribner 6" top DIB)	1898.0	1016.9	409.8	313.0	189.6	70.5	48.1	196.5	4142.5
%Cull and Breakage	8	17	11	15	1	2	90	66	14%
Net MBF	1752.0	840.6	365.3	261.3	188.3	68.8	4.8	65.5	3546.5
Average logs per MBF	16.9	19.4	21.7	33.5	43.8	19.7	35.4	58.3	21.48
Average DBH	12	13.1	11.1	10.4	9.3	10.3	20	11.6	11.87
Average tons per acre harvested							55		
Average MBF cut per acre on the timber sale							8.27		
Range of cut trees per acre based on unit cruise							21-154		

Calculated Sampling Error (net MBF): 7.4 %

The total cruised volume will fall between 3,285.2 and 3807.9 thousand net board feet in 9 out of 10 cruises

Tons Per Thousand Board Feet Conversion Factor (MBF):

<u>Timber character estimate – estimated tons per thousand Scribner board feet:</u>

6.18 tons per MBF = 21,921.6 estimated tons to a 5.6" top \div 3,546.5 net MBF Scribner to a 5.6" top DIB.

<u>Contract value – estimated tons hauled per thousand Scribner board feet:</u>

 $\overline{6.67}$ tons per MBF = 23,647.5 estimated tons to a 4.6" top \div 3,546.5 net MBF Scribner to a 5.6" top DIB. This value is the timber sale contract conversion factor and will be used for calculating FI fees and for reporting DNRC harvest totals.

Version 5-03 2

TABLE 3: Unit Harvest Volume and Harvest Schedule						
Unit	Section	Acres	Estimated Net Tons	Estimated Net MBF	Removal Date	
1	16	27	2,127.9	340.7	Sept. 30, 2010	
2	16	54	3,320.9	486.9	Sept. 30, 2010	
3	16	48	3,926.8	583.1	Sept. 30, 2010	
4	16	223	12,981.1	1,917.6	Sept. 30, 2010	
5	16	77	1,290.6	218.4	Sept. 30, 2010	
Total		429	23647.5	3546.5		

Additional Sale Information:

- 1. Top size will be 4.6" for all species. Ton volume calculations are based on cubic volume to a 4.6-inch top. Scribner volume calculations are based on a 5.6-inch top size for all species.
- 2. This timber sale contains 4 units (1, 2, 3, & 4) designated for required biomass and non-sawlog removal.
 - a. All logging slash generated from harvest activities at designated sites/harvest units is required to meet Down Woody Material requirements (Section VII.C.3), Purchaser Hazard Reduction requirements (Section VII.G.3), Landing and Decking Area Cleanup requirements (Section VII.M.5) and Maximum Utilization (Section VII.G.3). The management of non-sawlog and biomass is mandatory. Biomass materials management methods include tree length yarding with chipping or grinding of non-merchantable material and hauling away. Where slash concentrations are light, some material may be dispersed and crushed during scarification. The method of management will be agreed to by the Purchaser and the Forest Officer.
 - b. The burial of these materials is prohibited on gross sale area. The Purchaser is not allowed to burn any logging waste on the gross sale area. Chips or hog fuel must be hot loaded directly into trucks and not be stockpiled.
 - c. Purchaser must keep track and record all materials hauled, but will not be charged for sellable material.
- 3. This timber sale contains 4 units (1, 2, 3, & 4) designated for scarification.
 - a. Purchaser is required to machine-scarify these units. A dozer with brush rake or excavator with bucket shall be used when soil is dry (soil moisture content at 4-inch depth less than 20% oven-dry weight). Scarification consists of crushing remaining slash with machine tracks or bucket, removing surface duff and not more than 1 inch of topsoil over 20% to 30% of the area as directed by the Forest Officer
- 4. Purchaser is required to fell or uproot all submerchantable trees as directed by the Forest Officer.
- 5. This sale is typically a summer logging job. Under average historical winter conditions, there is not enough snow or frozen ground to winter log.

Version 5-03





